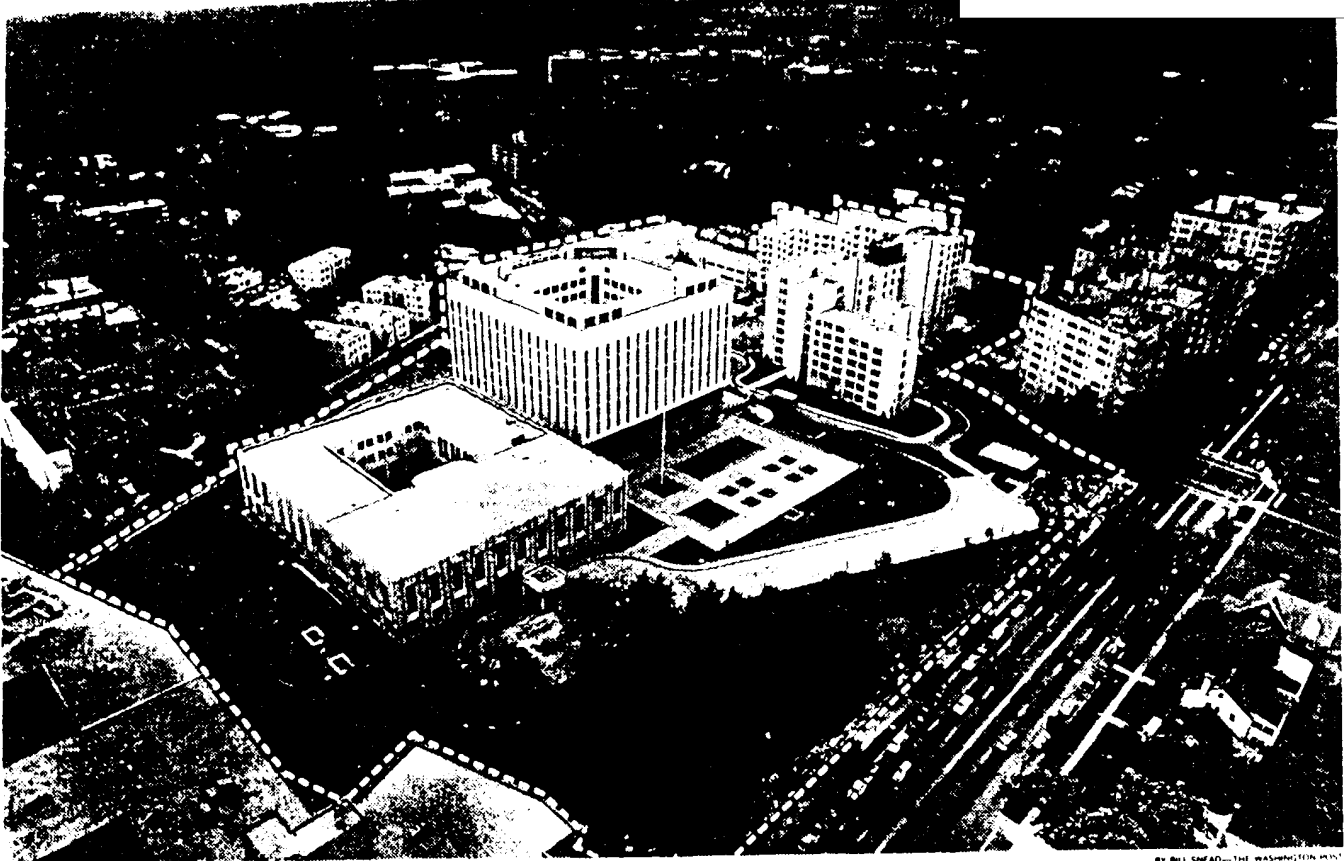


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Wisconsin Avenue traffic flows at lower right past the entry to the almost completed Soviet Embassy complex, which will include an eight-story chancery, apartments and school.

Soviets Take the High Ground

New Embassy on Mount Alto Is a Prime Watching—and Listening—Post

By Kenneth Bredemeier
Washington Post Staff Writer

The deal was cut in 1969, but now as the new Soviet Embassy nears completion on one of the highest vantage points in the nation's capital, some American officials believe that giving the site to the Russians was a major blunder.

With a sweeping view of the White House, the State Department and much of the Washington area, Soviet officials will have a prime location for electronic surveillance of government, personal and commercial conversations that are transmitted by microwave. The embassy site, on Mount Alto between Wisconsin Avenue and Tunlaw Road NW, is only a short distance downhill from the panoramic views available at the Washington Cathedral.

"We just got snookered; it's inexplicable," said Sen. Daniel Patrick Moynihan (D-N.Y.), a longtime critic of U.S. efforts to combat Soviet eavesdropping on American telephone and radio communications.

James E. Nolan Jr., director of the State Department's Office of Foreign Missions and former counterintelligence chief for

the FBI, said, "I'm sure if we knew everything then that we do now we wouldn't have made the same selection. We wouldn't have picked nearly the highest site in the city."

"Obviously anything which is broadcast, anything that's up in the air, can be intercepted by receivers," Nolan said.

After six years of negotiation, the Soviets and the Americans agreed in 1969 during the Nixon administration to build new embassies here and in Moscow. At the time, however, officials say the importance of microwave communications and their interception was not widely realized.

The 10-acre Mount Alto site, once used for a Veterans Administration hospital, was surplus federal property 16 years ago and deemed a suitable location for the Soviets to build their \$70 million compound. It will include an eight-story white marble chancery, a four-story consulate and ambassador's residence, a reception hall, a 165-unit apartment building, a school for diplomats' children, a gymnasium and a 400-seat auditorium, much of which has been in use for several years.

"We did not capture the site," said Soviet Embassy spokesman Boris Malakhov. "We were given it."

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As for the intelligence-gathering benefits of the prime hillside location, Malakhov said, "I'm not even going to discuss that."

By contrast, the new American Embassy in Moscow is being constructed a block from the Moscow River, and at a vantage point below that of the existing U.S. Embassy. The site's prime attribute is that it is about a mile from the Kremlin.

"We're down in the swamp," Moynihan declared. It is a point disputed by State Department officials, who nonetheless said that the site was plagued by "a water problem" during the early stages of construction. "We suspect that [Russian construction crews] broke a water main and didn't know it," one official said.

The concern over electronic bugging has preoccupied both Soviet and American officials as construction crews work on the two embassies. Under a 1972 agreement, Soviet workers are building the American Embassy, while American construction crews have already finished their work on the Soviet Embassy. But both countries plan to finish secured, interior sections of their compounds with their own workers.

The exterior of the Soviet Embassy has been completed and Russian families have been living on the site since 1980. But work on the \$147-million American compound in Moscow has lagged and the entire complex may not be completed until late 1987 or early 1988, State Department officials say.

"I do believe the Soviets could have built it faster if they'd wanted to," Nolan said. "It's a fact that time is money in construction here. Things get built faster." Nolan said the Soviet Embassy could be finished within six months if American construction crews were doing the work, but said that with Soviet workers it "could be mid-1986."

Nonetheless, he said the United States intends to adhere to a provision in the embassy-construction agreement that neither country will be allowed to occupy its new offices before the other—"reciprocal occupancy" in State Department jargon. Nolan said that in hindsight "we wouldn't have let [the Soviets] occupy the [housing] here until [the entire U.S. compound] is ready in Moscow."

In the meantime, officials of both countries have kept careful watch on the construction work.

Peter Pirozzi, president of Peter Bratti Associates Inc., a New York firm that attached the large slabs of marble and granite to the Soviet buildings on Mount Alto, said his crews had "an excellent relationship" with the Russians.

Nonetheless, he said "there was a certain amount of suspicion. They watched as we caulked the exterior on the pretense of quality control. But that's no different than what [the Americans are] doing over there. [The Russians] paid extra money to have the windows fabri-

cated on the site. Normally, they're already made in the factory."

In Moscow, Russian workers walked off the U.S. Embassy construction site for several weeks in 1983 to protest U.S. use of an X-ray machine to detect structural flaws, which the Soviets claimed was a health hazard. But U.S. officials said the Soviets' actual concern was that the Americans were using the machine to detect any eavesdropping bugs that might have been secreted in the construction work.

The Soviet crews eventually returned to work. "We agreed to do our inspections in nonworking hours," a State Department official said.

Moynihan has tried unsuccessfully since 1977 to get Congress to pass legislation to require the president to demand that any illegal electronic surveillance by a foreign mission be stopped and, failing that, declare the responsible diplomats persona non grata and expel them from the United States.

However, on June 7, for the first time, the Senate tacked Moynihan's measure onto the 1986 State Department funding measure.

"We made the deal [on the embassy site]; that's done," Moynihan said. "I'm not anti-Soviet. But now we've got to say that you're not going to intercept transmissions."

"It would be one thing if they did it and we didn't know it," Moynihan said. "That would be good trade-craft. But since we know it, it invites contempt."

Moynihan, a former member of the Senate Intelligence Committee, said that in recent years the Carter

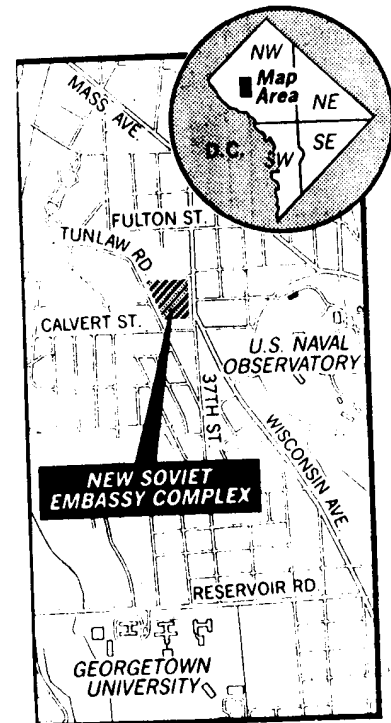
and Reagan administrations have taken what he calls "essentially defensive" actions against Soviet eavesdropping.

He said the Carter administration buried some of the federal government's telephone lines and those of some defense contractors, so that conversations would not be floating through the air via microwaves. Moynihan said that President Reagan ordered last year that scramblers be placed on the telephones in 86 limousines used by top White House and Cabinet officials, the same tactic the Soviets adopted years ago to thwart American eavesdropping in Moscow.

Despite the constant electronic surveillance battle between the two

countries, some social niceties remain. The Soviet Embassy recently invited American construction executives who had worked on the new structure to a two-hour reception at the current embassy at 1115 16th St. NW.

"They had a very lovely buffet table, with hors d'oeuvres, roast beef, turkey and ham and a bar with wine, no hard liquor," Pirozzi said. "Ambassador [Anatoliy F.] Dobrynin stopped by at the end and told us how much he liked the work."



BY MICHAEL DREW FOR THE WASHINGTON POST

Continued



BY HARRY NALTCHAYAN — THE WASHINGTON POST

Part of the Soviet Embassy compound includes this 165-unit apartment building for staff members and their families.